

Reply to Pre- Bid Queries for Tender Number: RailTel/Tender/OT/CO/NTP/2021-22/COD/002

Request for Proposal For Selection of Digital Entertainment Service Provider (DESP) for delivering Content on Demand (COD) services on Build Own Operate (BOO) model for Indian Railways

Reply to Queries raised by the following organisations are given as under (not in sequence):

1. M/s Mobisign Services Private Limited
2. M/s Oasys Cybernetics Pvt Ltd
3. M/s Entegritech Regulatory Compliance Solution LLP
4. M/s Intertrust Technologies Corporation
5. M/s Signpost India Pvt Ltd

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1	II	21	2.33 Prequalification Criteria	The bidder should have an average cumulative turnover of at least INR 450 Crores in the last 3 financial years plus current financial year (In case of Consortium- Lead Bidder should have atleast 25% of the prescribed annual turnover)	Need this turnover to be reduced.	The Eligibility Criteria for turnover is based on the estimated value of the project. Additionally, there is option of participation in a consortium is also kept to enable organisations participate together as a consortium. No change. As per RFP.
2	V	6	Content on Demand Services on Trains and Stations	☐ The entertainment content on demand services shall be provided on the personal devices of passengers in all trains and stations in a phased manner as per the timelines setout in this RFP	Will the contents be downloadable ? Would it be interactive ?	Bidders are free to decide on the content download options and degree of interactivity to be provided through the content on demand services, adhering to the Scope of Work and Service Level Agreements of the RFP.
3	V	7	Billing system	☐ The service provider shall develop necessary software to track revenue generation. This system will be monitored by RailTel.	What are the details of the revinue system required ?	The billing software system is required to capture and track requirements such as payments mechanism, invoicing, taxation, user profiling, analytics of service uptake, revenue generated from services, billing & metering, financial accounting, audits and reconciliation etc.

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4	V	9	V. Advertising	<p>The solution is intended to provide relevant advertisement for maximising the revenue through advertisement as per different parameters like age, gender, language etc. Advertisements should not compromise the viewing experience of the passenger. The DESP is expected to strategize the timing of advertisement to maximize the revenue without disturbing the user experience.</p>	Will the advertisements be provided by Railtel ? Who will be the commercials controlling authority ?	<p>The bidder is expected to generate revenues out of the project through the prevalent industry models set out in the RFP. Monetization through advertisements is one of the revenue models. RailTel will not provide advertisements. The advertisements has to adhere the applicable guidelines as per the Section III-Clause SCHEDULE 5: CONTENT AND ADVERTISEMENT ADHERENCE and the applicable SLA's as per the RFP. The service provider shall promote advertisements through content services provided, within the permissible limits as per relevant Ministry of I&B and Ministry of Electronics and Information Technology (MeITY) guidelines.</p> <p>Additionally, as per Section III-Clause 3.11 of RFP- <i>"The Indian Railway/ RailTel reserves the right to disallow content or Advertisement at any point of time which has a bearing on safety, aesthetics, security of Indian Railways. The message through content/ advertisements should not be socially offensive and should be keeping with public morality".</i></p> <p>However, the bidder is free to decide the commercials rates for the advertisements</p>
5	V	21	5.4.3 Key aspects to be considered during proposing the technology for COD service delivery:	<p>The Bidder needs to ensure that the power requirements for CoD equipments per coach should be not more than 200W at 110V DC/ 415V DC. The on board power requirements for the solution should be mentioned clearly in the technical design document to be submitted during the technical evaluation criteria.</p>	Will all the infrastructure requirements be met by Railtel ?	<p>The COD project shall be executed on a Build Own and Operate (BOO) basis .</p> <p>The bidder shall be responsible for delivering entertainment Content on Demand (COD) Services to the passengers for Indian Railways and has to arrange the required infrastructure for delivering the services to passengers/users. Available power supply will be provided by Indian Railways.</p>

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6	V	23	content Library	Content Library: A robust content library ensures that the user has options for viewing content during the journey, which would translate into increased stickiness of the end user towards the service.	can these Libraries be directly taken and interchanged between other sources and trains?	Bidder is free to partner with content owners, content distributors etc. for providing the content
7	V	32	6. Analytics	DESP to provide analytics solution to derive intelligence on content and passenger insights. For content insights few illustrative KPIs are required to be tracked - which genre is most watched, which content is most popular, which content/ genre is poorly performing in terms of impressions. The analytics will help DESP to then refresh the content/ genre mix as per passenger viewing habits. For passenger insights, it will help to segment the passengers based on content, create passenger persona based on genre and it will help to place targeted ads which will get higher CPM rates compared to generic ad placements.	What are the various analytics required ?	<p>An analytics solution will help the COD platform to increase its effectiveness, premiumness, quality and hence will be able to increase and create differentiation. This will create value for customers and also for the platform.</p> <p>As per Scope of Work- "<i>The Analytics system would interact with the usage analytics handle to provide information to the service provider on the services usage as required. It would include :</i></p> <ul style="list-style-type: none"> - Passenger insights - Ad Analytics - Service uptake - Notifications Manager". <p>However, the above list is indicative and the bidder has to implement the analytics solution based on its business model.</p> <p>The Analytics solution/platform has to adhere to the SLA's defined in the RFP</p>
8	VI	9	Helpdesk	<p>The system should provide user with single point of contact to assist them in their queries.</p> <p>FRS_CM_13 The system should have feature to raise a service queries</p> <p>FRS_CM_14 The system should have provision to respond to the queries</p> <p>FRS_CM_15 The system can have a provision of call centre or contact centre.</p>	What are the languages required to be known by Helpdesk staff ?	<p>As per Scope of Work, the COD project will cater to trains & stations Pan-India. It is expected that the helpdesk staff/solution should be able to cater to the regional languages. However, it is upto the bidder to decide the width of the number of languages to be kept in the COD solution keeping in view of maximising the customer satisfaction and creating value in best way and adhering to the SLA's of the project.</p>

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9	VI	14	General requirements	<p>The system should handle billing, keeping track of what customers owe (accounts receivable, or A/R), and their payments.</p> <p>FRS_FA_2 The system should provide Invoice processing function to handle invoices</p> <p>FRS_FA_3 The invoice processing should be automatic with reminders of payments if required</p> <p>FRS_FA_4 The system should maintain purchase orders and vendors cash memo as per requirement</p> <p>FRS_FA_5 The system should handle tax calculation as per requirement</p> <p>FRS_FA_6 The system should have wide varieties and various types of financial reporting options</p> <p>FRS_FA_7 The system should keep track of all the financial records and transactions</p> <p>FRS_FA_8 The system should show status of all the financial records and transactions</p>	What tax calculations are required ?	Tax calculation in the billing system is required to comply with all the applicable taxes which payable under statutory laws of India and for robust billing and invoicing system.
10	Section-II, Instructions to bidders	8	clause 2.6.1 (b)		<p>This benchmark of INR 63 Crore is on a basis on passenger on pre-covid levels, in current circumstances the minimum guarantee should be ascertained on passenger at post covid levels or till pre-covid passenger levels are achieved. In the current scenario, blocking this Minimum Guarantee of INR 63 crore for a capital expenditure intensive project will make it unviable for a bidder to deploy funds for execution. Alternatively We can set the floor price as open and let the auction decide the minimum price as there is a reverse auction available in the bidding process.</p>	<p>The Reserve price of Minimum Guarantee (MG) is not linked with number of passengers. The MG amount is fixed and there will be no increase/decrease in the MG amount in the whole span of 10 years being a long term project.</p> <p>Payment schedule of Minimum Guarantee amount for first 2 years of the project is modified to quarterly payments structure. Please refer to point no. of 3 Corrigendum-1</p>

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11	Section-II, Instructions to bidders	16	clause 2.23.1		We are a MSME registered company (document attached) and will be a lead bidder, so we need know will the attached certificate be sufficient for exemption of EMD, if it's not exempted, the EMD to be considered INR 5 lakhs for MSME.	Please refer to Section-II-Clause 2.23 (2.23.1.1 and 2.23.1.6) of RFP for the relevant clauses regarding exemption from Cost of Tender Documents & EMD applicable for (i) Small scale Units registered with NSIC and under single point registration scheme, and (ii) MSEs- Micro and Small Enterprises (registered under MSME)
12	Section-III, GCC	21	clause 3.17		There shouldn't be any performance bank guarantee for a period of 1 year (4 quarters) as revenue is dependent on passengers travelling and awareness of Services. This awareness is completely dependent on the promotion and marketing done by Indian Railways on Rail Ticket, rail PNR sms, In-coach advertising, platform advertising and other mass media on rail for passengers to start using the services. This prerequisite of minimum passenger count and general awareness created among passengers by railways are essential to ascertain customer usage and therefore platform revenues to commit a guaranteed PBG even after 1 year	No change. As per RFP
13	Section-III, GCC	22	clause 3.18		The bidder should be exempted from payment of license fees for a period of first 4 quarters as the bidder would be incurring huge capital expenditure for procuring and installing the system and therefore will require necessary relaxation for management of funds till customer usage is observed on the platform	Exemption from payment of Revenue share in the first two quarters of first year is provided in the RFP. Payment schedule of Minimum Guarantee amount for first 2 years of the project is modified to quarterly payments structure. Please refer to point no. of 3 Corrigendum-1
14	Section-III, GCC	23	clause 3.19		The amount is escrow account should be settled on a daily basis as per revenue share agreed to manage the working capital	Clause modified. Refer to point no. 3 of Corrigendum-1
15	E- OPEN TENDER NOTICE				The scope of work towards DSEP for delivering Content on Demand services requires thorough assessment and forming of JV and/or consortium, which takes time. So We request that the last date of submission may please be extended by another 4 weeks.	Clause for last date of submission of bids modified. Refer point no. of 7 Corrigendum-1

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16					<p>We were/are working on Indian Railway Display Network (RDN) tender since 2017 and we are well prepared for executing RDN on a turnkey basis as we satisfy technical eligibility criteria of the tender w.r.t live displays. As we had in 2017 and 2020, we continue to possess exclusive PMC and Execution rights on the underlying technology for participation and execution of RDN. Furthermore, RailTel had also acknowledged our contribution for the success of RDN as we had advised for the long-term success of RDN.</p> <p>We became aware of COD recently i.e., on 12th January 2022, thanks to your email invitation to attend COD pre-bid meeting. Though COD and RDN operate on different networks, there are overlaps between COD and RDN mobile app based revenue generation models/streams. A typical passenger sees 'RDN App' promotional ad on the displays after entering the stations and 'COD App' after entering a coach, which will lead to conflict in passenger's decision making. Thus, diluting digital-asset values of both RDN and COD apps. Moreover, there are existing apps by IRCTC (Rail Connect, eCatering, Tourism, iMudra, Air, Partner Vendor, RailNeer, CSIM, Menu on Rails, Maharajas) and IRCTC authorized apps (RailYatri, Confirmktkt etc.) with significant downloads operating on similar revenue models.</p> <p>Considering conflict between similar digital-asset classes with a thin line of "exclusivity", it has become</p>	<p>The core objective of the COD RFP involves on-board delivery of COD services in all mail/express and suburban trains across Indian Railways and all Wi-Fi enabled Railway stations. The CoD services in trains will be through a separate infrastructure to be installed by the bidder.</p> <p>RDN is a different project which already exists in smaller scale in the Indian Railway environment since years. The core objective of RDN project is to provide Railway information to passengers at A1, A, B C & D category stations through installing display screens at Railway stations. RDN will provide contextually rich and relevant information to Rail users along with public awareness messages and use the latest digital technologies to unlock the advertisement potential of the footfalls in A1, A, B C&D Railway stations and RDN model is altogether different from the COD project.</p> <p>There are various open Applications which can be accessible from internet (mobile network/Wi-Fi internet networks) from anywhere in the world which includes Non Railway as well as Railway areas and network and location exclusivity does not exist for any Application/website operating through open internet.</p> <p>Clause for last date of submission of bids modified. Refer point no. 7 of Corrigendum-1</p>

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					<p>difficult to convince respective stake holders of COD and RDN bids through online meetings due to rise in Omicron cases across India. Many of the key members are not keeping well. In view of investment magnitude and long-term commitments towards success of COD and RDN, we prefer having in person boardroom meetings to arrive at concrete decisions. We believe that it might be the same problem with other interested parties too. Among other things, may be this is one of the key bottlenecks for the poor response to RDN rebid in 2020 as it was launched on the day of first lockdown in India and non-performance by previous successful bidder of COD.</p> <p>Hence, we request RailTel to postpone COD bid submission date by at least 2 weeks to give ample room for maximum participation in COD and ideally, relaunch RDN after successful submission of COD to avoid possible conflicts. Hope this makes sense.</p> <p>Thanks in advance.</p>	
17	Section-III-GCC	21	clause 3.17		<p>Just a suggestion w.r.t Section 3.17. Minimum Guarantee...</p> <p>Considering the fact that we have to invest in the initial ~2 years to set up COD infra and propagate the same to passengers, request RailTel to divide Minimum Guarantee into equal semi-annual/quarterly instalments in the first 2 years. Otherwise, it would become really difficult to sustain in the formative years of COD.</p>	Payment schedule of Minimum Guarantee amount is modified to quarterly payments structure or first 2 years of the project. Please refer to point no. 3 of Corrigendum-1.

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18	Section-II, Instructions to bidders	8	clause 2.6.1 (b)		<p>Minimum Guarantee: The Minimum Guarantee of INR 63 crore is too high for a capital expenditure intensive project as this one which includes designing, implementation, deployment of logistics, manpower etc. It is suggested that the only revenue share be applicable for initial three years of the project post which Minimum Guarantee to be fixed from 4th year of the project at 50% of average income of the first 3 years of the project.</p> <p>Furthermore, Revenue share should be on basis of Net Revenue Share defined as gross display amount billed by the Licensee to its client's minus of the Agency commission, discount and rebate granted to advertising clients and agencies for business partnerships.</p>	<p>The value of MG has been fixed based on the 10 years horizon of the CoD project and estimated investments made by each of the stakeholders. Additionally exemption for first 6 months of the project has been given in the revenue sharing arrangement.</p> <p>Payment schedule of Minimum Guarantee amount is modified to quarterly payments structure for first 2 years of the project. Please refer to point no. 3 of Corrigendum-1.</p>
19	Section-III, GCC	21	clause 3.17 (d)		<p>Payment of Minimum Guarantee/Revenue Share: The successful bidder should be provided with a rent-free period of 2 quarters from the date of LOA as the Concessionaire shall be in the process of procuring, deploying resources and implementing the system.</p>	<p>Exemption for first 2 quarters of the project has been given in the revenue sharing arrangement.</p> <p>Payment schedule of Minimum Guarantee amount is modified to quarterly payments structure for first 2 years of the project. Please refer to point no. of 3 Corrigendum-1</p>
20	Section-III, GCC	21	clause 3.17 (d)		<p>Payment Terms: The payment of the License Fees should be on a monthly payment model instead of Annual payment terms considering the current financial implications and the cost of capital expenditure incurred by the successful bidder</p>	<p>Payment schedule of Minimum Guarantee amount is modified to quarterly payments structure for first 2 years of the project. Please refer to point no. 3 of Corrigendum-1</p>

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21	Miscellaneous				<p>Exclusivity: Multiple platforms will be confusing for passengers, and it will hamper the basic idea to provide value addition once the PNR is generated until the end of passenger's journey. Hence complete exclusivity should be provided to the successful bidder for implementation of services for all existing trains and any upcoming trains in future as well.</p>	<p>There are various open Applications which can be accessible from internet (mobile network/Wi-Fi internet networks) from anywhere in the world which includes Non Railway as well as Railway areas and network and location exclusivity does not exits for any Application/website operating through open internet.</p> <p>For getting data after PNR is generated the bidder is free to partner with related agencies.</p> <p>The Work of Content on Demand services in trains and stations of Indian Railways will be given for 10 years. Any addition/deletion/modification in the trains operated by Indian Railways will become part of the COD project in the given project period of 10 years.</p>
22	Section-III, GCC	27	Schedule-6, Force Majeure		<p>Act of God/ Force Majeure: The current Pandemic situation and upcoming crisis shall be a huge loss and concern to invest at a large scale hence due clause with complete clarity on compensation and extension of the contract be envisaged which provides for equal rights to all the stake holders. It is pertinent that the partner investing and implementing the project be given more weightage while capsulating the possibilities, with clear guidelines and solutions without any ambiguity.</p>	<p>Force Majeure clause is detailed out in Section-III-Schedule-6 of RFP</p>
23	Section-II, Instructions to bidders	16	clause 2.23		<p>Earnest Money Deposit: Please confirm that in accordance to GoI notification EMD is waived off for MSME's and start-ups.</p>	<p>Please refer to Section-II-Clause 2.23 (2.23.1.1 and 2.23.1.6) of RFP for the relevant clauses regarding exemption from Cost of Tender Documents & EMD applicable for (i) Small scale Units registered with NSIC and under single point registration scheme, and (ii) MSEs- Micro and Small Enterprises (registered under MSME)</p>

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24	Section-III, GCC	30	Schedule-7, Rolling Performance Bank Guarantee		Performance Bank Guarantee: The Performance Bank Guarantee should be reduced considerably and should be linked to equivalent of 3 months of projected revenue from the project in form of Bank Guarantee and 1 month in form of Demand draft.	No change. As per RFP
25	Miscellaneous				Provision of wallet services: The successful bidder should be allowed to keep wallet accounts of various service providers for providing passenger convenience services on booking such as F&B, cabs, hotels, porter services etc.	Please refer to Section-V- Clause- 5.5.11 Payments Platform for the details of Scope of Payment wallets: <i>"Option of integration with other available payment wallets and payment modes e.g. credit card/ debit card, UPI, payment vouchers, etc is also there."</i>
26	Miscellaneous				Kindly provide clarification on the proposed platform to act as a backend platform of IRCTC rail connect or rail sarthi to envisage and include all passenger amenities to be integrated including the grievances redressals, lost and found, logistics, assistance to senior citizens, women and differently abled etc.	Not mandated as a part of Scope of Work. However, the bidder is free to approach and integrate the COD platform with other platforms within the contours of the RFP.
27	Section-II, Instructions to bidders	23	clause 2.34.5, Technical Evaluation		Criteria for Selection: It is suggested that commercial bids opening of only those bidders should be qualified who have experience in implementation of similar projects and revenue generation from the same as provided for in the Technical bid	As per Section II of RFP, Clause 2.33- Prequalification Criteria includes the Relevant Experience criteria detailed out in Point no. 5. Further, the Technical evaluation criteria is detailed out in clause- 2.34.5. The technical evaluation includes the detailed out experience criterias of similar projects and revenue generation from the projects. Further, as per the clause 2.35.1- Only the Technically qualified bidders with a score of 60% and above will termed eligible for Commercial evaluation stage. No change. As per RFP.

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28	Section-III, GCC	23	Schedule-4, clause 3.19, Escrow account		Escrow Account: An Escrow account limits the functioning and cash flows for the company. Furthermore, a separate SPV company will provide for financial hygiene of the project	<p>Escrow account shall ensure all financial transactions will be managed and logged in one account and will ensure better management of revenue sharing process. This will also help in accounting and reconciliation & regular audit of the project revenues.</p> <p>To ensure cash flows for the bidder, clause modified vide point no. 3 of Corrigendum-1.</p> <p>The RFP has the option of participation as a consortium and If the succesful bidder is a consortium, then consortium entity being awarded the bid is required to form a JV (Joint Venture) post the award of the contract.</p>
29	Miscellaneous				<p>Zonal railway office obligations & Single window clearance: Timelines should be provided to all zonal offices to provide the trains to the successful bidder in a timely manner (as per mutually agreed time frame) to avoid delayed installation. In case of any unforeseen delays and on account of delays of RailTel/Indian Railways in implementation of the project the MG should be calculated on pro-rata on number of trains wherein the system is installed beyond the implementation period of 3 years also.</p> <p>Furthermore, single point of contact should be provided at every Zonal office of the Railways for project implementation.</p>	<p>The implementation schedule of 2 years is the maximum period given to the bidder to implement the project. The bidder is free to complete the implementation work before the maximum timelines given. Implementation clause- Section V- 5.6- Timelines and Project Deliverables updated vide point no. 6 of Corrigendum-1.</p> <p>Additionally, to ensure the the timelines of the COD project, Indian Railways has already issued a Joint Procedure Order with detail of the nominated nodal department/officers in each Zone/ Division alongwith detailed out responsibility of each associated Railway departments. The Procedure Order will be provided to the succesful bidder at the time of implementation work.</p>

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30	Section-III-GCC	21	clause 3.17		<p>We wanted to request the esteemed bidding authorities for some relaxation in the payment of Minimum Guarantee for a couple of years. According to Section 3.17., successful bidder has to pay the MG at once within 60 days. We request RailTel to split the MG into quarterly model for at least 24 months/entire implementation schedule to ease out burden and focus on setting up the whole COD technology. It would really help us in alleviating risk for the overall cash flows of the project.</p>	<p>Payment schedule of Minimum Guarantee amount is modified to quarterly payments structure or first 2 years of the project. Please refer to point no. 3 of Corrigendum-1.</p>